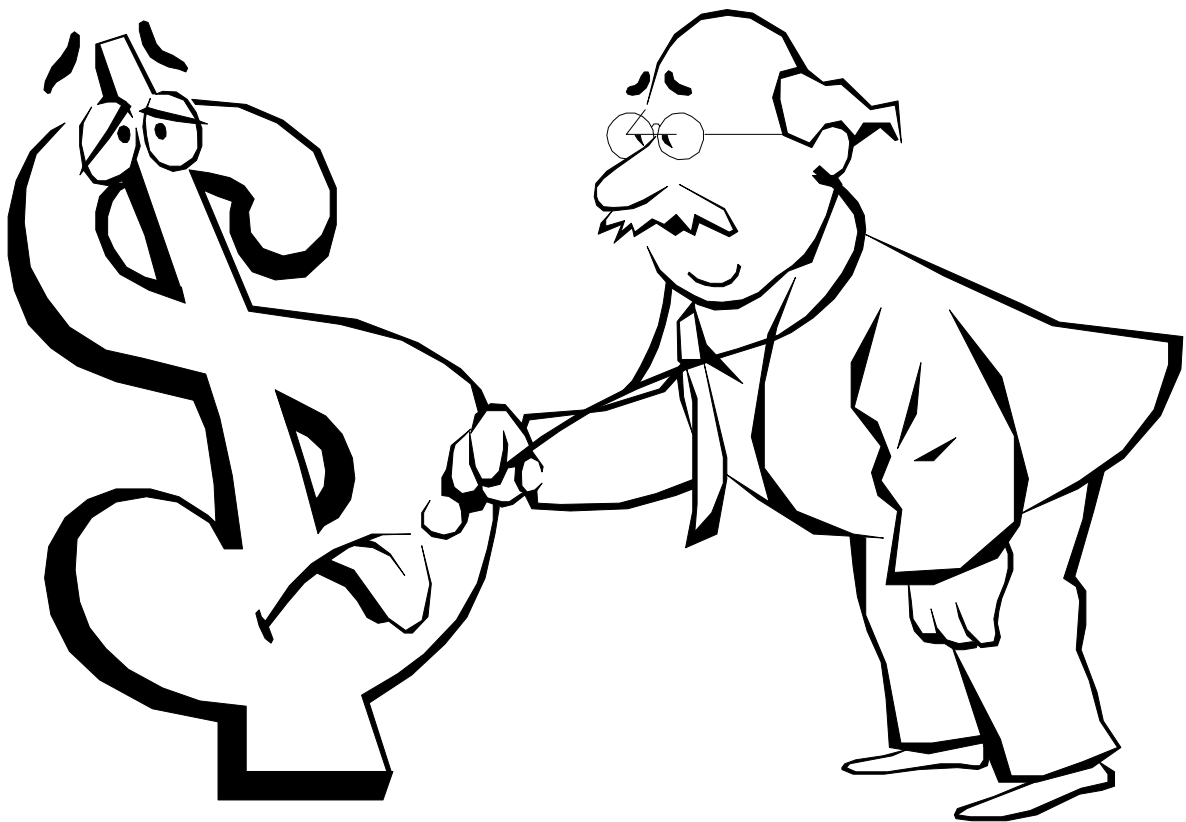


SPENDDOWN Handbook

Vol 3F & 3D Section 415



SPENDDOWN - A spenddown is the excess income left after subtracting allowable income deductions AND either the BMS. (Personal needs allowance for waivers)
A spenddown can be paid in cash or by using allowable medical bills. This training covers the rules and the process of using medical bills to meet a spenddown.

Nov 2004

Table of Contents

	Page #
Terms you need to know	1
PACMIS Screens	
1049	2
Types of Bills	3
Incurred	
Deductions	
Span Month Bill	4
Using Medicare Part A	
When and What of Medical Expenses	5
When to ask for expenses	
What information is required	
Rules for medical expenses	6
Special Considerations	10
Finance Charges - Collection Agency - Pre-Paid -	
Prospective Expenses - Mental Health - Existing Expenses	
Time limits for spenddowns	11
 PACMIS SCREENS	
MEPH	14
MEEL	15
MEEI	16
MEES	19
Changing the expense order	20
Priority Logic	
Deselecting expenses	21
**EX	22
MEEA	23
Overstated Liability	24
Understated Liability	25
MEEU	26
 Appendix 'A' - 1049	
Appendix 'B' - Type of Service Table	
Appendix 'C' - ALSP	

Nursing Home and Waiver Spenddowns have different income calculations; however, the PACMIS procedures should be the same.

Terms You Need To Know



Capitated -

A single provider is under contract to provide health services to all Medicaid clients in a given area. Mental health services are capitated in all counties except San Juan county.

Current Month -

The Medicaid benefit month.

Dual Eligibility -

Eligible for two or more sources of payment for medical bills such as Medicaid and Medicare. See Appendix B.

EOB -MSN

Explanation of Benefits and Medicare Summary Notice are provided by insurance companies to identify allowable amounts and insured obligations for billed medical expenses.

HCF - Health Care Finance

Paid Expense - The client's obligation is 'paid in full'. No balance is remaining.

TPL - Third Party Liability is a source of payment for medical services other than Medicaid. Common sources are health insurance, auto insurance, homeowners insurance, Workman's Compensation, etc.

PACMIS Screens -

MEPH Spenddown Payment History

MEEL Log of all expenses entered on PACMIS.

MEEI Data entry screen to enter all bills available to meet the spenddown.

MEES Authorization screen displays expenses available to meet current month's excess. Worker must authorize use of the expenses on this screen.

MEEA Adjustment screen after the card has been issued (PI).

MEEU Is a notice to the client and provider showing which incurred bills were used to meet the spenddown. The client is responsible for amounts listed on the MEEU.

Form 1049* 415-3

The worker must provide a 1049 or the ALSP notice for the client to complete at each of the following times:

- when eligibility is approved and it is determined that a client has a spenddown,
- at each review where a spenddown exists,
- any time a spenddown begins.

The 1049 requires the client choose one of the following options:

- ☐ I DO expect my medical bills for this month to be **more** than my spenddown. **ENCLOSED IS MY PAYMENT.**
- ☐ I DO expect my medical bill for this month to be **more** than my spenddown. **I WILL PROVIDE PROOF OF MEDICAL BILLS BY THE 10TH OF NEXT MONTH.**
- ☐ I DO NOT expect my medical bills for this month to be more than my spenddown. **PLEASE CLOSE MY CASE.**

If the client chooses to meet their spenddown with cash, they will choose the first option. The payment will go to the business office to be recorded. A copy of the receipt and the 1049 should be obtained from the business office be filed in the case file.

If the client chooses to use medical bills to meet the spenddown, they will choose the 2nd option. Make sure that the client received a copy of the brochure PM990 Spenddown. This will give the client the information we need back to complete the spenddown process on PACMIS.

If the client determines that their medical expenses are less than the spenddown amount for the Medicaid month, they will mark the 3rd option. Close the case and send the appropriate notice. Medical expenses should be compared to the spenddown amount after the income has been reduced by all medical deductions including medical bills.

PACMIS will send the 1049 out each month on an ongoing spenddown case where the spenddown has been met and the case rolls forward.

* see Appendix A

Incurred Expenses

Incurred Expense - Is an allowable bill which:

1. Is for a type of service which Medicaid would pay,
and
2. Is received during the Medicaid benefit month,
and
3. Is for a person who is "IN" on a Medicaid program that month.

Incurred Rules:

- Incurred bills may be paid or unpaid. With one exception, if the bill is incurred, it can only be used in the month the service is received.* The portion that is used to meet the spenddown then becomes the client's responsibility and the client agrees to pay that amount to the provider. Any remaining balance not used to meet the spenddown will be paid by Medicaid.

*Exception: When an incurred bill is paid during the retro period or app month, the bill can be used to meet the spenddown from the month of service through the app month.

- When incurred bills are used, the total amount of the available deductions and incurred bills must equal or exceed the spenddown amount.
- **When clients are enrolled in an HMO, they cannot use any incurred medical expenses to meet their monthly spenddown. This includes pharmacy bills.** Check the MMIS screen to see if an HMO premium was paid for the benefit month. If the client wants to use incurred bills in an app month where a previous HMO exists, the worker must remove the HMO before authorizing coverage. *415 pg 6*
- There are special rules for using mental health bills. Hospital bills for inpatient psychiatric or mental health care cannot be used as incurred expenses. *415 pg 6*
See page 10.
-

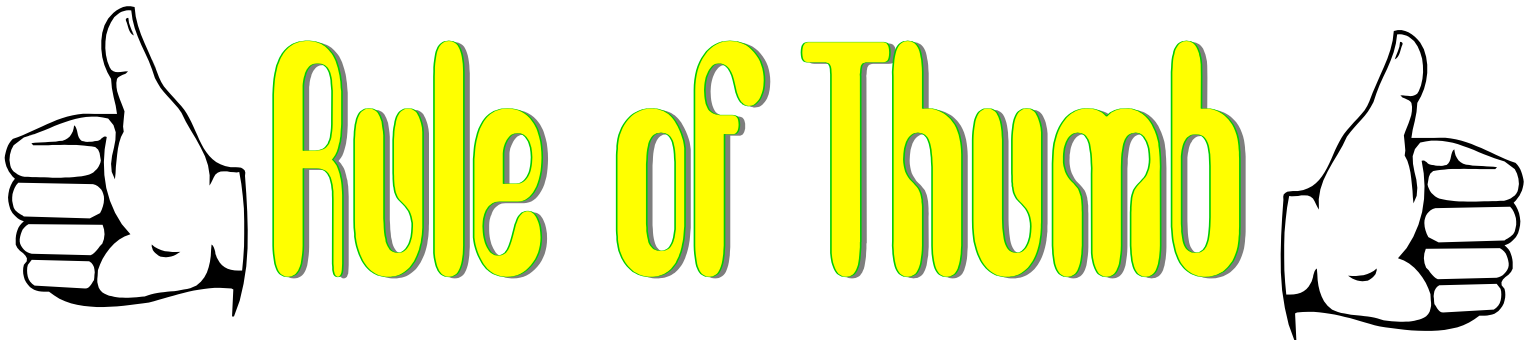
**All expenses that do not fit the
definition of incurred are deductions.**

Deductions

Deductions- are medical expenses which reduce income. They are the same as expenses posted on EXPE* except that on MEEI they can be tracked.

They are bills which are:

1. For services for someone who is not on Medicaid,
or
2. For medically necessary services not payable by Medicaid,
or
3. For services received in a non-Medicaid month.



**Use deductions and incurred expenses,
or
use deductions and cash,
but:**

NEVER mix incurred expenses and cash.

*EXPE - When an insurance payment (HA) is made in the app or retro period that is not totally used to reduce the spenddown in that month, the remainder must be carried over and used to reduce spenddown until the end of the application month. Example: Mary paid her quarterly insurance premium of \$700 in April. In July she applies for Medicaid for the months of June and July and has a \$300 spenddown for each month. \$300 of the insurance premium could be used for June and the \$300 could be used for July. The remaining \$100 cannot be used because it is after the application month.

Span Month Bill

A bill for services which begins in one month and ends in another is a 'SPAN MONTH' bill. Actual dates of the bill should be posted on the MEEI*. PACMIS will pro-rate the portion allowed in each month and post it as two separate bills. A common span month bill is an inpatient hospital bill.

Example-

Hospital Bill Date of Service 27APR02 - 05MAY02.

Amount of bill for the hospital stay is \$10,000, client obligation is \$2,000. The client's spenddown is \$1792. The bill is prorated by PACMIS and shows up as two different bills. *The total of the available amount lines will total the client's spenddown or the total amount available whichever is less. The bill would be split like the MEES below. If April's spenddown is not met then the MEES would look like the one below. For the month of May, the amount for May would not show up on April's MEES. Only the pro-rated incurred amount for April would show.

Benefit Month = May 02 *if there is no Medicaid coverage for Apr 02

PS	CLNT	BEG DAT	END DAT	O	M	S	P	TOTAL	CLIENT	AVAIL*	I	USE	USE	USE
AP	NAME	SERVICE	SERVICE	H	C	C	D	EXPENSE	OBLIGAT	AMOUNT	D	ORD	AMT	TYP
1	NAME	27APR02	05MAY02	N	Y	N	N	10000.00	2000.00	680.89	D			
1	NAME	27APR02	05MAY02	N	Y	N	N	10000.00	2000.00	1111.11	I			

Benefit Month = Apr 02

PS	CLNT	BEG DAT	END DAT	O	M	S	P	TOTAL	CLIENT	AVAIL*	I	USE	USE	USE
AP	NAME	SERVICE	SERVICE	H	C	C	D	EXPENSE	OBLIGAT	AMOUNT	D	ORD	AMT	TYP
1	NAME	27APR02	05MAY02	N	Y	N	N	10000.00	2000.00	680.89	I			

*Using Medicare Part A

Do not post the Medicare Part A deductible as a SPAN MONTH bill. Medicare has a set Part A deductible that must be met in each coverage period (not yearly). If another hospitalization occurs 60 days or more from the last discharge date, another deductible must be met. Generally the first day or two of hospital charges will exceed the deductible amount. This means that the BEGIN DATE and the END DATE are in the same month. Unless you have evidence to the contrary, assume the deductible to be the first day's charges. Post the beginning and ending service dates in the same month.

THE WHEN AND WHAT

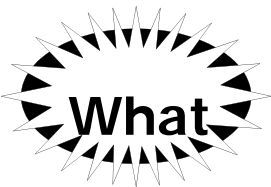


to ask a client for information regarding medical expenses:

After determining that the client will not be income eligible for a poverty limit program, determine if a BMS program that has a spenddown option would be cost effective. Discuss spenddowns with the client and ask about medical expenses.

Ask the client if he/she has:

- ▶ any unpaid medical bills
- ▶ any medical bills for services received and paid in the application month or the three full months prior (whether they choose retro or not)
- ▶ any state paid medical bills (UMAP, JTPA, or Voc. Rehab.)
- ▶ bills for family (which the client is financially responsible for) not living in the home, deceased, or living in the home but not included in the income calculation



information is required to complete the MEEI screen:

- ▶ who received the service
- ▶ date and type of service
- ▶ the total expense
- ▶ the client's responsibility
 - make sure that if there is a 3rd party payer (Medicare or other insurance) that you count as the client's responsibility only the remaining obligation** after any payments have been made*
- ▶ provider's name, address, and phone number
 - all expenses should be verified by the provider. Be accurate in the provider information as HCF uses this to match bills.*

**

The client's obligation is the portion that insurance will not pay. An estimate may be necessary.

RULES FOR ALL MEDICAL EXPENSES

A bill is allowable only if it meets all 4 of the following criteria:

1. Medical Service Received By A Client or Family Member

The medical service must be received by the client or a family member. It does not matter if the family member is now deceased or if the family member lives with the client or not. There must be a legal responsibility for payment. Use deeming rules for the program you are using.



Family members include:

- ▶ client's parent or stepparent (if the client is an unemancipated child),
- ▶ client's spouse,
- ▶ client's dependent child or step-child,
- ▶ client's unemancipated siblings, or half-siblings, if the client is an unemancipated child.

PACMIS will only use expenses posted to clients participating as either 'IN', 'DI', or 'DM' in at least one medical program (including PCN).

If the expense belongs to a client that is coded "OU" of all medical programs, or is not living in the household, follow the instructions for Out of Home on MEEI.

2. Medically Necessary Services



Only allow deductions for medical services that are 'medically necessary'. **Medicaid Co-Payments or Co-Insurance amounts are NOT allowed for spenddown.**

Medically necessary services are those:

- normally covered by Traditional Medicaid,
- prescribed or given by a licensed medical practitioner,
- and are not one of the seven listed below.

The following services are considered medically necessary even though Medicaid will not cover them:

- . Preventive dental (not cosmetic)
- . Eye glasses (at the Medicaid rate)
- . Speech and hearing services for adults
- . Podiatry for adults
- . Chiropractic expenses (do not allow massage therapy)

The services listed below are NOT usually considered medically necessary. *415 pg 12*

- ▶ Pharmacy items not covered by Medicaid, including prescriptions or over the counter medications that are not approved by Medicaid; vitamins and nutritional supplements (except for pregnant women). Medications over the allowed number of prescriptions cannot be used as medical expenses. Prescribed over the counter medications received in months the client did not have Medicaid may be allowed as medical expenses. Check Table III.
- ▶ Prescribed items which can be used for non-medical purposes (food scales, vitamins, etc.)
- ▶ Convenience items
- ▶ Any product that has primarily a cosmetic or non-medical effect. (Cosmetic surgery, supply, adult orthodontics, homeopathic treatments, massage therapy)
- ▶ Abortions, except to save the life of the mother
- ▶ Gender change

Sterilization for women or men is part of family planning services and can be paid by Medicaid. A person must sign a consent form at least 30 days before the procedure.

If there are any doubts regarding medical necessity, refer to Section 415 pg 11-12. If questions still remain, fax the information to Policy Specialist at 538-6952.

3. Services not payable by Medicaid, QMB, or a 3rd party



Medicaid- Medicaid is the 'payer of last resort'. Do not allow any deduction for services received by a Medicaid recipient if Medicaid has paid or will pay for the service. If incurred bills are used, the medical expenses used to meet the spenddown are the client's responsibility.



Insurance- Do not allow a deduction for any medical service payable by a third party. (If a TPL will only pay a portion of the bill, allow as a deduction the portion that the client is obligated to pay.) Call the insurance company or obtain an EOB or MSN. This will show allowable amounts and the client's obligation. If these are not available, verify the bill and estimate the client obligation based on past evidence and adjust later.



Medicare or QMB- Do not allow a deduction for any portion of medical services payable by Medicare or QMB. Check Appendix B for dual eligibility indicator. If the indicator is "Y" allow the expense.

Exception to allowing 3rd party paid bills - 415pg13 C2 Allow a deduction for a medical bill paid by a state or local government program (Working Toward Employment, Voc. Rehab.). The bill must be for an "IN" person on a medical program. This does not include PCN or Hill-Burton.

EXAMPLE:

Mary had shoulder damage and was unable to use her right arm. Vocational Rehabilitation paid for her shoulder to be fixed. The bill paid by Voc. Rehab. would be an allowable expense in the month it was paid. The expense would be listed as Mary's and a 'Y' placed in the 'STATE COVERED' field. This expense would be used first in the priority logic and used as a paid bill. A fully paid date is not necessary. The bill would be listed on the MEEU.

4. Bills Already Deducted

Never use the same expense twice.

For example, if you allow a deduction for an unpaid bill, you cannot use it again when the bill is paid. The client should be made aware that when an unpaid bill is used to meet the spenddown that he or she is responsible to pay that bill.

Check the MEEL screen and find the bill. Enter the bill number to pull up the MEEI for that expense. Look at the spenddown information area of the MEEI to see if the expense has been used.

If a bill is used from the retroactive period as a deduction, and the client later requests retroactive coverage for that month, tell the client that Medicaid will not pay for the bill. It will become an incurred bill for the month of service and an MEEU will be printed. Make sure that you send the MEEU.

If the client does not meet a spenddown in one month, but had received medical services in that month, those medical bills may be used in a later month. Once the bill is used in the later month, it is no longer available for the month the service was received.

Do not be tempted to 'lie' to PACMIS !!!!!!!

**If you post the bills correctly,
PACMIS will choose the bills
according to policy.**



Danger Zones

(Vol III, Section 415-5)

➡ Finance Charges - The current client obligation must not include any service or finance charges. If it does, they must be removed before posting on the MEEI as the client's obligation. They are not medical expenses.

➡ Collection Agency - If a bill has been turned over to a collection agency, it can be considered a medical expense as long as the collection agency is forwarding part of the money to the provider. Allow as a deduction only the portion returned to the provider. Document your verification.

➡ Pre-Paid Medical Packages - Do not allow as a monthly deduction more than the amount of actual services received in that month.

➡ Prospective (Anticipated) Medical Expenses

Prospective medical expenses are not 'medical bills' and may not be allowed as deductions or incurred expenses.

➡ Mental Health Expenses -

Unpaid mental health bills are not allowable expenses if the client received Medicaid in the same month and lives in a capitated mental health area. This includes retroactive months. Paid bills in an application or retroactive month can be used if the services were not provided by the capitated provider or contractee.

★ Do not allow hospital bills that are for inpatient mental health care .★

➡ Existing Expenses -

If there are any expenses already listed on the MEES, they must be verified and updated before they can be used. Unused expenses that are not Medicaid payable and meet the criteria will carry over to future months as available. Verify the current amount owed with the provider and adjust the client obligation on the MEEI. If an old bill has been paid off, change the client obligation to the amount shown as used in the Expenses must also be verified at review. Only use the portion of a bill still owing. Make sure that the balance has not been written off.

TIME LIMITS FOR SPENDDOWN



Meeting the medical excess is a requirement for Medicaid eligibility. Once a client is determined eligible for Medicaid with a spenddown, send a notice (ALSL or MMEX) showing the amount and options for meeting the spenddown.

■ APPLICANTS-

Applicants must meet the spenddown within 30 days of the approval notice mailing date or by the end of the 30 or 90 day application period, whichever is longer and applies. This time frame includes meeting spenddowns for any retroactive months for which the client requested coverage. If the client does not meet the spenddown within the specified time frame, deny or close the Medicaid.

■ RECIPIENTS -

On-going recipients must meet their spenddown obligation by the 10th of the month following the benefit month. If the spenddown has not been met by this time frame, close the case effective the end of that month. On-going recipients should have an HMO listed and cannot use incurred bills.

■ RETROACTIVE MONTHS-

Sometimes an applicant does not request coverage for retroactive months when they first apply. The client can come in later and request coverage for retroactive months associated with an approved application. In this case determine eligibility for any retroactive months in which the client wants coverage. Once eligibility is determined, if there is a spenddown for any of those months give the client 30 days from the mailing date of the approval notice to meet the spenddown for those retroactive.

- If a client has failed to meet the spenddown by the deadline, the client can reapply for coverage for the month in question if that month is within the retro period of the new application date.



The PACMIS Screens

MEPH

* INFO *		END OF DISPLAY REACHED					
MEPH		MEDICAL EXCESS PAYMENT HISTORY					04DEC01 15:44
							AMY S
CASE NAME:		CASE NUMBER:					
BENEFIT MONTH	PROGRAM TYPE	EXCESS AMOUNT	CASH PAYMENTS	CASH/ CHECK	PRIOR EXPENSES	CURRENT EXPENSES	DATE PAID
DEC01	DM	347.00	267.00	CH	80.00	0.00	30NOV01
NOV01	DM	347.00	0.00		347.00	0.00	15NOV01
OCT01	FM	1030.00	1030.00		0.00	0.00	27AUG01
SEP01	FM	1030.00	1030.00		0.00	0.00	27AUG01
AUG01	FM	1030.00	1030.00	CH	0.00	0.00	27AUG01
APR01	FM	1028.00	0.00		906.15	121.85	27APR01
DEC00	FM	978.00	0.00		137.37	840.63	29DEC00
NOV00	FM	978.00	0.00		928.25	49.75	22DEC00
PROGRAM TYPE:		BENEFIT MONTH:			NEXT-->		

The Medical Excess Payment History Screen is a history of spenddown payments. Prior expenses shows deductions used and current expenses shows incurred bills used to meet a spenddown. The paid date shows the date the spenddown was met on MEES.

MEEL

MEDICAL EXPENSE LOG										25FEB00 12:43	
LISTS ALL EXPENSES ENTERED										ELIG 1	
CASE NAME: SPENDDOWN, FATHER										CASE NUMBER: 00005283	
										BENEFIT MONTH: JAN98	
POS	CLIENT	BEG DAT	END DAT	OU	MD	ST	PAID	TOTAL	CLIENT	TYP	
APP	NAME	SERVICE	SERVICE	HM	CV	CV	DATE	EXPENSE	OBLIGAT	SRV	
1	1	FATHE S	02JAN98	02JAN98				1552.80	1452.80	OUTP	
2	1	FATHE S	02JAN98	02JAN98				235.00	35.00	EMTN	
3	1	FATHE S	01JAN98	01JAN98				2445.00	2445.00	MDOC	
4	1	FATHE S	27DEC97	27DEC97	Y	Y		842.00	421.00	DDST	
5	1	FATHE S	01DEC97	01DEC97			02JAN98	48.50	15.00	PHAR	
6	2	MOTHE S	10JAN98	10JAN98		Y		1025.00	1025.00	OUTP	
7	2	MOTHE S	28DEC97	04JAN98		Y		8445.50	8345.50	HOSP	
8	3	MARY S	22JAN98	22JAN98		Y		45.00	45.00	OPTO	
9	3	MARY S	22JAN98	22JAN98		Y		43.00	43.00	OPSU	
10	3	MARY S	22JAN98	22JAN98		Y	22JAN98	25.00	15.00	PHAR	
11	4	JAMES S	05FEB98	05FEB98		Y		25.00	25.00	DDST	
12	5	JOEY S	05FEB98	05FEB98		Y		25.00	25.00	DDST	

SELECT FOR EDIT : (ENTER 99 FOR NEW EXPENSE)

POS: BEG DAT: NEXT-->

4B :01.2 22/19

MEEL is an information log of all bills entered.

Expenses are listed in order of client position with the newest bills first. To enter a new bill, enter "99" in "SELECT FOR EDIT" or "next" to MEEL.

"SELECT FOR EDIT".①

Allows you to select any of the bills listed for viewing or modification.

Position Field ②- Enter the client position (*from SEPA*). All bills for that client will be displayed. Putting a "01" in client position will bring up all of Client 01's bills.

Beginning Date ③- Enter the client position and beginning date. All bills with a date of service before the selected beginning date will be displayed for that client.

```

MEEI                                MEDICAL EXPENSE INFORMATION                                02JUL02 10:05
                                         AMY-AT S
CASE NAME: SPENDDOWN, ANOTHER                               CASE NUMBER: 00027410
                                                             BENEFIT MONTH: AUG02

*** SERVICE INFO ***
POS CLIENT   BEG DAT END DAT OU MD ST TOTAL      CLIENT   TYP   MD   PRESCRIPTION
APP NAME     SERVICE SERVICE HM CV CV EXPENSE  OBLIGAT  SRV   VR   NUMBER
-----
① ②         ③           Y          ④ ⑤ ⑥ ⑦       ⑧        ⑨       ⑩
*** PROVIDER INFO ***                                     IF SERVICE WAS RECEIVED AND
NAME : _____                                  PAID FOR IN THE APPLICATION
STREET: _____①                                 FULLY
CITY : _____                                   PAID
STATE : _____ ZIP: _____                     DATE: _____②    APPLICATION DATE: _____③
*** SPENDDOWN INFO ***
MONTH  AMOUNT  DT USED  MONTH  AMOUNT  DT USED  MONTH  AMOUNT  DT USED
④

ACTION  A=ADD EXP/EXIT
⑤ CODE: _ N=ADD EXP/NEW PROVIDER
          S=ADD EXP/SAME PROVIDER  C=CLEAR FIELDS/NO UPDATE

MORE DETAIL: _
NEXT--> _____

4B 00:00.7 09/02

```

- ❶ Enter client position from SEPA.
- ❷ No entry required, PACMIS picks up name from client position.
- ❸ Enter date of service (if span month, enter exact dates). The end date defaults to the beginning service date unless the "TYPE OF SERVICE" is "HOSP" then the end date becomes a mandatory field.
- ❹ OUT OF HOME - Enter "Y" if the person receiving the medical care is either deceased, not living in the home, or is not included in the BMS and for whom a client counted in the BMS is financially responsible (or from whom income is deemed). A blank field defaults to 'NO'.

EXAMPLE: Charlie is court ordered to pay ½ of his son's medical expenses. His son, Mike, lives with his mother in another city. Charlie and his family are on 'FM'. The portion of Mike's medical expenses that Charlie is obligated to pay would be posted on Charlie's number and a 'Y' placed in 'OUT OF HOME'.

- ⑥ **MEDICAID COVERED** - This field defaults to "Y" because most services in Utah are Medicaid covered. Leave a "Y" even if there is no Medicaid eligibility for the dates of service. If you change the "Y" to "N", you must document why. Enter "N" only if the expense is "medically necessary" but is not Medicaid covered, or the provider does not accept Medicaid. You must verify "medical necessity" with the Policy Specialists by faxing the information to **538-6952**. Do not allow the expense until it is approved. The effect of coding this field "N" is that if there is a balance after the spenddown is met, the balance will carry over to be available for subsequent months.
- ⑥ **STATE COVERED** - Blank field defaults to "N". Enter "Y" if the expense is state paid (Working Towards Employment or Voc. Rehab). These expenses are available only in the month of service.
- ⑦ **TOTAL EXPENSE** - This field is used by HCF to match provider bills. Post the exact amount of the bill. Do not combine bills unless they are for a non-Medicaid provider or outside any Medicaid coverage time frame.
- ⑧ **CLIENT OBLIGATION** - Is the portion remaining after any 3rd party payments. This includes the QMB co-pays. See Appendix B for dual eligibility on QMB.
- ⑨ **TYPE OF SERVICE** - Enter the type code for the service the client received. Service codes are listed on Appendix B. Availability of the expense may depend on the type of service code you use.
- ⑩ **PRESCRIPTION NUMBER** - This is a mandatory field when the TYPE OF SERVICE is "PHAR". Enter the prescription number from the receipt or bill.
- ① **Provider Information** - Enter the provider's address.
- ② **FULLY PAID DATE** - Enter the date only if the bill is fully paid. A paid bill is only allowed in the month it is paid.
- ③ **APP MONTH** - Enter the application month. If the service was incurred and paid in the application month or in the three months prior, even if the client does not request retroactive coverage, the expense will be available until the end of the application month entered. If the client has an ongoing spenddown case but has not met the spenddown in more than 30 days, the case should have been closed and a new application received; however, if the case was not closed, consider the new month as a re-app and enter a new application date.

- ④ SPENDDOWN INFO - is a history of how an expense was used to meet the spenddown. The display appears after MEES has been authorized. Always check this field before any modifications are made on a bill.
- ⑤ MEEI Action Codes - An action code is required when an expense is entered or modified.

✎ "A" will add the expense you just entered and return you to the MEEL.

✎ "M" will modify an existing expense after any changes have been made. Use this code when you have retrieved an expense from MEEL that needs to be adjusted. Before modifying a bill, look at the spenddown information section. The changes you make may effect availability of the expense (such as changing the date of service, type of service, etc.) Re-check availability of the expense for the benefit month selected or used. PACMIS will not allow you to lower the client obligation less than the selected or used amount. Make the modifications needed and enter "M" for changes or "D" to delete the expense in the action code field and press enter. This will return you to the MEEL. Send a new MEEU if the change was made on a current month bill and for an "IN" person.

✎ "N" will add the expense you just entered and bring back a blank MEEI. Use this code if you have more than one expense to enter and each is for a different provider.

✎ "S" will add the expense and bring up a new MEEI with the same provider's information. Use this code when you have more than one expense to enter with the same provider information.

✎ "C" will clear all information from the MEEI and you can start over. If the information was retrieved from MEEL, it does not delete that expense.

✎ "D" will delete a bill and return you to the MEEL. Use it when you want to totally delete an expense retrieved from the MEEL. ***An expense can only be deleted when it has not been selected or used to meet a spenddown.***

Be careful how you post the bills on MEEL.



MEES

MEDICAL EXPENSE SELECTION										02JUL02 11:17						
EXPENSES SELECTED/USED TOWARD SPENDDOWN										AMY-AT S						
CASE NAME: SPENDDOWN, ANOTHER										CASE NUMBER: 00027410						
										BENEFIT MONTH: JUL02						
PG	MEDICAL	DEDUCTIONS		INCURRED		AMOUNT	CASH									
TP	EXCESS	SELECTED/	USED	SELECTED/	USED	REMAINING	PAYMENT	DATE	MET							
DM	552.00	0.00	0.00	0.00	0.00	552.00	0.00									
PS	CLNT	BEG	DAT	END	DAT	O	M	S	P	TOTAL	CLIENT	AVAIL	I	USE	USE	USE
AP	NAME	SERVICE	SERVICE	H	C	C	D			EXPENSE	OBLIGAT	AMOUNT	D	ORD	AMOUNT	TYP
2	CASE	02APR02	02APR02	N	Y	N	Y			600.00	600.00	48.00	D	__	552.00	
>>> END OF EXPENSE LIST <<<																
PAGE CODE: _ (TOP OF LIST=T, NEXT PAGE=N, PREV PAGE=P) USE ONLY EXP SEL: _																
AUTH PCN: _ MORE PRG: _ NEXT--> _																
4B 00 6 24/12																

MEES allows you to select expenses to meet the spenddown authorized on the **ex screen.

After the **ex screen has been authorized, MEES will display all available expenses for that month. Bills are displayed in "PRIORITY LOGIC" order. You may select system defaults by entering your PCN or you may adjust the order of the expenses by numbering "USE ORDER"① column and/or selecting different USE AMOUNTS② and putting a 'Y' in the "USE ONLY EXP SELECTED" field.

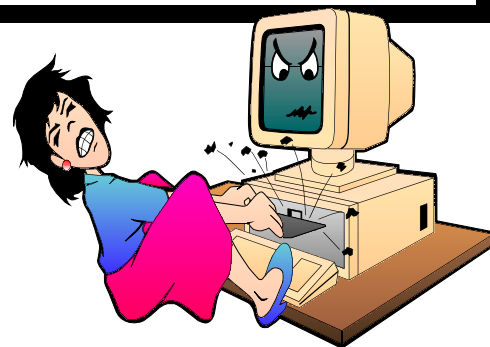
When the card's issuance indicator is "PI" on the MEBH, the only change allowed on MEES is when the spenddown has increased. Changes in the spenddown after issuance of the card must be done on MEEA.

When using incurred expenses, you cannot select less incurred expenses than the total amount of the spenddown. **Combining cash and incurred expenses is not allowed**. A combination of deductions and incurred expenses may be selected to meet the total spenddown. You will receive a message when an MEEU is necessary.

PACMIS chooses bills according to a 'Priority Logic':

☞ Priority Logic ☞

- ☞ State Covered expenses.
- ☞ Paid expenses starting with the oldest bills.
- ☞ Paid expenses received and paid in the retro or application month.
- ☞ Unpaid expenses that meet the criteria for deductions.
- ☞ Unpaid incurred expenses.



PACMIS further sorts the bills by smallest bill first.

There are times that you may want to change the way PACMIS chooses the priority of bills. This can happen when a client has paid a portion of a bill in an eligibility month or prefers you use one bill over another, etc.

Example-

There are several expenses available and it is to the client's advantage or desire to use the 3rd expense first. Put a '1' in the USE ORDER on bill #3 and hit enter. That expense will go to the top and be used first. To use less than the amount PACMIS has selected, put the desired amount in the 'USE AMOUNT' and hit enter.

A combination of 'USE ORDER' and 'USE AMOUNT' may be needed on the same expense. After making the changes, hit enter. Make sure it is correct before you enter your PCN to authorize!

Expenses are auto-selected at rollover if the prior month or the 'roll from month' spenddown is met. If there are not enough expenses to meet the spenddown, PACMIS will not use any of them and you will get an alert showing the spenddown is not met. Manually select what is available and meet the rest with cash or incurred expenses.

DE-SELECTING EXPENSES

→→ De-selecting the bills and starting over after authorization of the expenses can be done if the Medicaid card has not changed from PT to PI on the MEBH screen.

Note: If the card has been authorized as a PT and the expenses selected on a different day, the PT will change to PI as soon as the expenses are authorized and changes may be made on the MEEA.

→→ De-select bills if a month must be deleted after you have authorized expenses, otherwise, the selected expenses stay locked in the deleted month.

To De-select Expenses

Enter "0" in all of the "USE AMOUNTS" and put a "Y" in the "USE ONLY EXP SEL" field and hit enter. Then enter your PCN to authorize the change. You will receive an warning that all selected expenses will be deleted.

To deselect only 1 expense, zero out the USE AMOUNT and hit enter; PACMIS will select the next available bill or warn you that there are not enough bills to meet the spenddown. Always hit enter before entering your PCN so that your changes will stay.

After the card is issued, MEES will display how the excess was met (incurred, deductions, and/or cash) and the date met. Selected expenses become used upon issuance (issuance indicator becomes PI).

If there is more than 1 program type with an excess, the larger spenddown will meet the smaller one. If the smaller spenddown is met, it will post against the larger one. Remember that the UMAP spenddown can only be met with cash and cannot exceed \$50.

Use Types -

Use types will appear in "USE TYPE" on MEES next to the expenses that have been selected after authorization.

CC - Current Covered

PC - Prior Covered

CN - Current Not Covered

PN - Prior Not Covered

Not really as scary as
you thought!



**EX

* WARNING * EXISTING MEDICAL EXPENSES MAY NEED TO BE REVERIFIED		06NOV01 15:27
DMEX (ABD)	MEDICAID EXCESS DETERMINATION	HEALTH T
CASE NAME: SPENDDOWN, FATHER	CASE NUMBER: 00006178	MONTH: OCT01
BMS SIZE: 02	MARITAL STATUS: MA	

EMPLOYMENT INCOME	:	0.00	EDUCATION INCOME	:	0.00
SELF EMPLOYMENT INCOME	:	0.00	DEEMED UNEARNED INCOME	:	0.00
DEEMED EARNED INCOME	:	1165.00	OTHER UNEARNED INCOME	:	1650.00
TOTAL EARNED INCOME	:	1165.00	TOTAL UNEARNED INCOME	:	1650.00
GENERAL DISREGARD	:	0.00	GENERAL DISREGARD	:	20.00
EARNED INCOME DEDUCTION	:	615.00	NET UNEARNED INCOME	:	1630.00
NET EARNED INCOME	:	550.00	OTHER INCOME DEDUCTION	:	0.00
			COUNTABLE INCOME	:	2180.00
			BASIC MAINTENANCE STD	:	468.00
			MEDICAL EXCESS	:	1712.00
			AVAILABLE EXPENSES	:	1712.00
			SELECTED EXPENSES	:	0.00
			CASH/USED EXPENSES	:	0.00
			AMOUNT OWED (MEES)	:	1712.00
			BUS PASS:	:	N
			PAYEE SETUP REQ:	:	N

CALCULATION BASED ON BMS SIZE

BENEFIT AUTHORIZATION: _____

ISS REAS: IN ISS INDICATOR: MO ❶

REVIEW DUE DATE: DEC01 ❷

HOLD REMINDER DATE: _____ PAYEE ❸

HOLD REASON: _____

CORRECTION - IS ELIGIBLE, MEDICAL EXCESS HAS CHANGED. NEXT--> _____

4B 02.0 18/25

**EX screens must be authorized to have the medical excess and available expenses appear on MEES. If there are multiple medical programs, pass through each of the **EX screens to authorize all medical programs. MEES will follow the last **EX screen. Remember that you can no longer select expenses on the **EX screen, you must go to MEES.

❶ **Available expenses** show the total expenses available on MEES for that benefit month. It will not show more than the excess amount.

❷ **Selected expenses** shows the total amount selected from MEES. This will change to cash/used expenses when the card has been issued. (PI)

❸ **Cash/Used expenses** show the total of any combination of cash/expenses used to meet the spenddown amount once the card has been issued.

EX SCREENS

AMEX	AWEX	BMEX	CMEX	DDEX	FMEX
HNEX	NUHL	RMEX	UMEX	DMEX	PGEX

MEEA

MEEA MEDICAL EXPENSE ADJUSTMENTS										04DEC01 15:14		
										AMY S		
CASE NAME:										CASE NUMBER:		
										BENEFIT MONTH: DEC01		
LARGEST MEDICAL EXCESS: 347.00										CASH USED: 267.00		
PS	CLIENT	BEG DAT	END DAT	O	M	S	P	TOTAL	CLIENT	AVAIL	INC	USE
AP	NAME	SERVICE	SERVICE	H	C	C	D	EXPENSE	OBLIGAT	AMOUNT	DED	AMOUNT
1	VICK	30MAY01	30MAY01	N	Y	N	N	81.00	20.00	0.00	D	20.00
1	VICK	14MAY01	14MAY01	N	Y	N	N	81.00	20.00	0.00	D	20.00
1	VICK	29JUN01	29JUN01	N	Y	N	N	64.00	20.00	0.00	D	20.00
1	VICK	26JUN01	26JUN01	N	Y	N	N	108.00	20.00	0.00	D	20.00
>>> END OF EXPENSE LIST <<<												
PAGE CODE: _ (TOP OF LIST=T, NEXT PAGE=N, PREV PAGE=P)												
AUTH PCN:										NEXT-->		

MEEA allows adjustments to be made to some spenddowns after the card has been issued. It will show all the expenses that have been used and other available expenses that could be used.

Do not try to adjust incurred expenses unless you are going to use a deduction instead of an incurred expense. Incurred expenses are not available to be used after the card is issued (PI). If you change an incurred amount to 0 it will be dropped permanently. To meet spenddown increases you must go to the MEES to select expenses or pay cash.

If an excess is decreased you may "un - use" expenses. MEEA will tell you there is a change in excess and to enter to use defaults. At this point just enter, do not authorize. The second pass will display the expenses required to meet the new reduced excess. The unused expenses are made available for other months unless they are incurred.

Expenses may be adjusted without a change in the excess.

For example: if the client has additional deductions which would equal a used incurred bill, it would be to the client's advantage to use the deduction instead of the incurred expense. Put the deduction(s) on MEEI and they will appear as available expenses on MEEA. Decrease the incurred bill by the amount of the deductions available (the portion of the incurred bill not being used will no longer be available to use). Hit enter before putting your PCN in. Authorize **ONLY** after the changed MEEA comes back!!! Enter your PCN and hit enter. A new MEEU could be required.

OVERSTATED LIABILITY

The client has an overstated liability when the correct medical spenddown is less than the original spenddown. This happens when income is less than when the original best estimate was done. When a correct best estimate has been used to determine a spenddown amount, we do not go back and adjust after actual income is received.

Enter the correct income on the income screens and authorize the **EX screen. From the **EX screen, the MEES will automatically come up. The change will decrease the spenddown and a message to go to MEEA to make the adjustments will appear.

PACMIS allows modification of the USE AMOUNTS, reordering, or deselecting expenses. To modify the expenses used, change the amount in the "USE AMOUNT" field. PACMIS will not allow you to decrease the expenses to less than the spenddown amount.

If an incurred expense is deselected, it will no longer be available. Print a new MEEU any time an incurred or current month bill is modified.

If the spenddown was met with cash, a 79R must be sent to HCF. The providers have one year to process claims. No refund will be given until the year is up and a tally is calculated of claims paid out by HCF. If the spenddown was met with a combination of cash and deductions and the spenddown is reduced, you have two choices:

- 1) Change the deductions on MEEA and the deductions will be available for another month's spenddown.
- 2) If the client is eligible for, wants a cash refund, and there are enough expenses available to meet the reduced spenddown; DO NOT TOUCH MEEA. Send a 79R to HCF (Nancy Thompson). Document the decision and action. It may take more than a year to complete the refund. (There is no refund for HMO clients.)



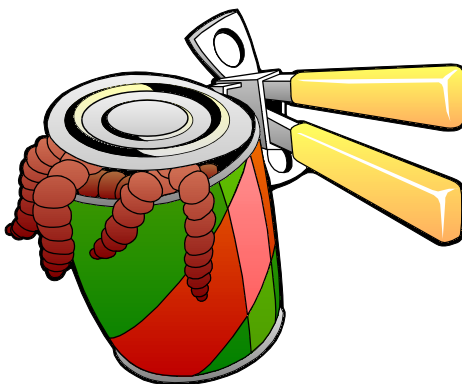
UNDERSTATED LIABILITY

The client has an understated liability when the correct spenddown is more than the spenddown originally calculated, or when deductions were allowed which should not have been allowed.

Determine if there are medical expenses or other deductions not yet used. (Incurred expenses cannot be used.) The client may have old unpaid medical bills, or non Medicaid covered expenses. If the client has these available, post the allowable bills on MEEI and select them on MEES.

Example 1 - (increased spenddown) Client's spenddown was increased from \$500 to \$600. The client had two non-Medicaid covered expenses for \$50 each (make sure they are considered medically necessary) in the same month which have not yet been used. Use these deductions to meet the extra \$100 on MEES.

Example 2 - (improper deduction) It was discovered, after the card had been issued, that a \$100 medical expense was allowed as a deduction and was not an allowable bill. The client brought in a \$200 dental bill which they still owed on. Post the bill on MEEI. Correct on MEEA. 'O' out the \$100 deduction that was allowed. MEEA will then select the \$100 from the new dental bill. If the client had no other deductions, you must complete an ORS referral on OVRD.



Making changes can be a CAN OF WORMS.
Do it right the first time.

MEEU

_ MEEU		PAGE 1 OF 4	MEDICAL EXPENSES USED	04DEC01 15:47
WARNING! MEDICAID WILL NOT PAY ALL CLAIMS FOR ELIGIBLE CLIENTS!				
CASE NAME:		CASE NUMBER:		
		BENEFIT MONTH: DEC00		
YOU AGREE TO PAY CHARGES LISTED BELOW. EACH PROVIDER MAY BILL YOU FOR THE AMOUNT YOU OWE. THE PROVIDER MAY ALSO BILL MEDICAID WHEN THE CHARGE FOR A SERVICE IS MORE THAN THE AMOUNT YOU OWE. IF YOU HAVE A QUESTION ABOUT YOUR FINANCIAL RESPONSIBILITY, PLEASE CALL YOUR MEDICAID ELIGIBILITY WORKER. YOUR PROVIDER SHOULD CALL THE MEDICAID INFORMATION LINE AT 538-6155 OR 1-800-662-9651 FOR QUESTIONS ABOUT YOUR FINANCIAL RESPONSIBILITY OR BILLING MEDICAID. THIS MEEU REPLACES ANY MEEU WITH AN EARLIER DATE!				
CLIENT NUMBER:		CLIENT NAME:		
PROVIDER NAME: MEDICINE SHOPPE		PRESCRIPTION NBR: 386398		
PROVIDER ADDR: 2562 MONROE BLVD		OGDEN, UT 84401		
BEG DATE SERV: 18DEC00		END DATE SERV: 18DEC00		
SERVICE TYPE : PHARMACY				
THE TOTAL MEDICAL BILL IS \$44.00. THE CLIENT IS RESPONSIBLE TO PAY \$44.00 FOR THIS SERVICE. THE TOTAL CHARGE MAY BE BILLED TO MEDICAID.				
- CONTINUED -				
4B		:00.6		01/01
Connected to host hlmp.state.ut.us [204.113.16.53] (TA2638) 3:47 PM				

The MEEU is a PACMIS form which is to be attached to the medical card.

It tells the provider what the client's obligation is for an incurred expense that was used to meet their spenddown.

The MEEU must be sent along with the medical card. The medical card will be imprinted with the warning "**IMPORTANT! MEDICAID WILL NOT PAY FOR SERVICES ON ATTACHED FORM MEEU**".

The MEEU is automatically sent when the **ex screen and MEES are both authorized at the same time. When you use an incurred bill, a MEEU is required and PACMIS will tell you to send one or that one will be sent. If you authorize the expenses when the issuance code on MEBH is "PT", you must print the MEEU and send it out to the client, or attach to the card to give to the client, with an explanation as to what to do with it.

EXAMPLE

A spenddown was authorized on the DMEX screen on Thursday. PACMIS went down and the bills were unable to be selected to meet the spenddown. On Friday the worker selects the bills. The card has already changed from a daily issuance on the MEBH ('DA') to 'PT'. The MEEU must be printed and sent to the client. A new card may need to be ordered.

Any modifications of an incurred or current month bill used to meet the spenddown will require a new MEEU be sent to the client with the instructions that it must be shown to the providers listed on the MEEU.

In a month where the spenddown is not met (card has issuance indicator of = PT), an incurred bill for that month could be used as a deduction in a later month. However, if you go back and meet the spenddown for the month of service, you must send an "MEEU" for the month of service.

PACMIS will tell you when you need to send an MEEU or if it will be done automatically.



APPENDIX A

IMPORTANT STATEMENT OF MEDICAL NEED

A Medicaid spenddown should only be paid when your medical expenses are **MORE** than your spenddown. Otherwise, it is not cost-effective for you and your case should be closed.

If you request your case closed, you may reapply any time. You can apply for RETROACTIVE medical assistance that can cover expenses up to three months prior to the date you request help.

Before you spend down:

- ✓ check with your medical providers to make sure they accept Medicaid, and
- ✓ decide if your medical expenses are more than your monthly spenddown amount.

if you have an HMO, you may not use current month bills

READ CAREFULLY AND CHECK ONE OF THESE BOXES BEFORE YOU PAY!

For the month of: _____

- ☐ I DO expect my medical bills for this month to be **more** than my spenddown. **ENCLOSED IS MY PAYMENT.**
- ☐ I DO expect my medical bill for this month to be **more** than my spenddown. **I WILL PROVIDE PROOF OF MEDICAL BILLS BY THE 10TH OF NEXT MONTH.**
- ☐ I DO NOT expect my medical bills for this month to be more than my spenddown.

If you must pay health insurance premiums or medical expenses which will not be paid by your insurance company or by the medical card issued by our office, then you may be entitled to a special deduction that will DECREASE your spenddown.

Refunds - You may request a refund from Health Care Financing if your spenddown is more than coverage month's medical expenses. Refunds will not be available for at least one year plus processing time from the month of medical coverage. Refunds will be reduced by any outstanding bills you owe Health Care Finance as well as any HMO premiums or Mental Health premiums that were paid in your behalf. The moment a spenddown is paid, a Mental Health premium and possibly an HMO premium are paid. Contact your Medicaid case manager if you need a refund.

Client Signature

Social Security Number

Date

APPENDIX B

Type Of Service Table

TYPE OF SERVICE CODE	TYPE DESCRIPTION	SPAN MONTH	DUAL ELIG FLAG
AUDI	AUDIOLOGIST		
CNEX	CONVERTED EXPENSES	Y	
CNMW	CERTIFIED NURSE MIDWIFE		
DDST	DENTIST		Y
EMTN	EMERGENCY MEDICAL TRANSPORTATION		
HHAG	HOME HEALTH AGENCY		
HMOC	HMO CO-PAY		
HOSP	INPATIENT HOSPITAL (NOT MH)	Y	
LABX	INDEP LAB/X-RAY FACILITY		
MDOC	PHYSICIAN\OSTEOPATH		
MDSP	MEDICAL SUPPLIER		
MSWK	SOCIAL WORKER		
NEMT	NON-EMERG MED TRANSPORTATION		Y
NHIN	NURSING HOME	Y	
NRAN	NURSE ANESTHETIST		
OCTH	OCCUPATIONAL THERAPIST		
OPSU	OPTICAL SUPPLIER		
OPTO	OPTOMETRIST		
OTHR	OTHER		
OUTP	OUTPATIENT HOSPITAL		
PDRN	FAMILY\PEDIATRIC NURSE-check Medicare EOB		Y
PHAR	PHARMACY		Y
PHTH	PHYSICAL THERAPIST		
PODI	PODIATRIST		
PSYC	PSYCHOLOGIST		
RGNR	REGISTERED NURSE-check Medicare EOB		Y
SPPA	SPEECH PATHOLOGIST		

APPENDIX C_C

23Oct01 09:09

NOTICE: ALSP NUMBER OF LINES 30 PAGE: 1 AMY
EFFECTIVE DATE FROM: 16SEP01 EFFECTIVE DATE TO: 9999999

TITLE: STATEMENT OF MEDICAL NEED

BASED ON THE INFORMATION YOU HAVE GIVEN US, IT HAS BEEN DETERMINED THAT YOU ARE NOT ELIGIBLE FOR MEDICAID WITHOUT A COST. YOU MUST PAY A SPENDDOWN IN ORDER TO RECEIVE MEDICAID. YOU SHOULD ONLY PAY A MEDICAID SPENDDOWN WHEN YOUR MEDICAL EXPENSES ARE MORE THAN THE SPENDDOWN AMOUNT. IF YOUR MEDICAL EXPENSES ARE LESS THAN THE SPENDDOWN AMOUNT, REQUEST THAT YOUR CASE BE CLOSED. YOU MAY REAPPLY AT ANY TIME.@@

>>

BEFORE YOU PAY A SPENDDOWN:@@

-MAKE SURE YOUR MEDICAL PROVIDERS ACCEPT MEDICAID.@@

-DECIDE IF YOUR MONTHLY MEDICAL EXPENSES WILL BE MORE THAN YOUR@@
MONTHLY SPENDDOWN AMOUNT.@@

>>

PLACE AN 'X' NEXT TO THE CORRECT STATEMENT FOR THE MONTH OF@@

~~0/0/0/0/0/0/0/0/0/0/0/0.~~ @@

— MY OUT-OF-POCKET MEDICAL EXPENSES FOR THIS MONTH WILL BE MORE@
THAN MY SPENDDOWN. I HAVE ENCLOSED MY PAYMENT.@@

CONTINUE (Y OR N): Y

74/71

23Oct01 09:10

NOTICE: ALSP NUMBER OF LINES 8 PAGE: 2 AMY
EFFECTIVE DATE FROM: 16SEP01 EFFECTIVE DATE TO: 9999999

TITLE: STATEMENT OF MEDICAL NEED

— MY OUT-OF-POCKET MEDICAL EXPENSES WILL BE MORE THAN MY MONTHLY@@
SPENDDOWN. I WILL PROVIDE PROOF OF MEDICAL BILLS BY THE 10TH@@
OF THE NEXT MONTH. I UNDERSTAND THAT IF I AM ENROLLED IN AN@@
HMO, CURRENT MONTH MEDICAL BILLS MAY NOT BE USED.@@

— MY OUT-OF-POCKET MEDICAL BILLS WILL NOT BE MORE THAN MY@@
MONTHLY SPENDDOWN. PLEASE CLOSE MY CASE.@@

>>

REFUNDS: YOU MAY REQUEST A REFUND OF YOUR SPENDDOWN IF YOUR MEDICAL EXPENSES ARE LESS THAN THE SPENDDOWN AMOUNT YOU PAID. REFUNDS WILL NOT BE AVAILABLE FOR AT LEAST ONE YEAR AND WILL BE REDUCED BY ANY HMO, MENTAL HEALTH PREMIUMS, AND OTHER MEDICAL COSTS PAID FOR YOU.@@

>>

SIGNATURE: _____ DATE: _____ @@

>>

THIS NOTICE IS BASED ON VOLUME IIIF, IIID, IIIM SECTION 415

»»

CONTINUE (Y OR N): Y